

HOUSE BILL No. 1317

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-30-17-3.5; IC 22-12-1; IC 22-14-5; IC 36-8-12; P.L.340-1995, SECTION 37.

Synopsis: Fire protection funds. Eliminates the firefighting and emergency equipment revolving loan fund (loan fund) and creates the firefighting and emergency equipment grant fund (grant fund) administered by the office of the state fire marshal. Requires a grant to be used for the purchase of firefighting and emergency equipment and other incidental expenses. Repeals the fire safety equipment revolving loan account (loan account) in the build Indiana fund. Releases the obligation of a loan recipient under the loan fund and the loan account to pay the remaining balance due on the principal plus interest of a loan. Transfers funds remaining in the loan fund to the grant fund. Transfers \$500,000 per month to the firefighting and emergency (Continued next page)

Effective: July 1, 1999.

Bischoff, Ruppel

January 12, 1999, read first time and referred to Committee on Ways and Means.



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Digest Continued

equipment grant fund from the lottery and gaming surplus account in the build Indiana fund.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1317

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-30-17-3.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.5. (a) Two (2)
3 segregated accounts shall be established within the build Indiana fund
4 as follows:
5 (1) The state and local capital projects account.
6 (2) The lottery and gaming surplus account.
7 (b) Upon receiving surplus lottery revenue distributions from the
8 state lottery commission and surplus gaming revenue distributions from
9 the state gaming commission, the treasurer of state shall credit the
10 surplus lottery revenue and surplus gaming revenue to the lottery and
11 gaming surplus account. All money remaining in the lottery and
12 gaming surplus account after the transfer required by ~~subsection~~
13 **subsections** (c) **and** (d) shall be transferred to the state and local
14 capital projects account.
15 (c) Before the twenty-fifth day of the month, the auditor of state



shall transfer from the lottery and gaming surplus account to the state general fund motor vehicle excise tax replacement account an amount equal to the following:

(1) In calendar year 1996, eleven million six hundred twenty-five thousand dollars (\$11,625,000) per month.

(2) In calendar year 1997, twelve million nine hundred twenty-five thousand twenty dollars (\$12,925,020) per month.

(3) In calendar year 1998, fifteen million ten thousand dollars (\$15,010,000) per month.

(4) In calendar year 1999, seventeen million one hundred ninety-two thousand dollars (\$17,192,000) per month.

(5) In calendar year 2000, nineteen million four hundred thirty-five thousand two hundred ten dollars (\$19,435,210) per month.

(6) In calendar year 2001 and each year thereafter, nineteen million six hundred eighty-four thousand three hundred seventy dollars (\$19,684,370) per month.

(d) After making the transfer required under subsection (c) and before the twenty-fifth day of each month, the auditor of state shall transfer monthly from the lottery and gaming surplus account to the firefighting and emergency equipment grant fund established under IC 22-14-5-1 five hundred thousand dollars (\$500,000).

~~(d)~~ (e) This subsection applies only if insufficient money is available in the lottery and gaming surplus account of the build Indiana fund to make the distributions to the state general fund motor vehicle excise tax replacement account that are required under subsection (c). Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the difference between:

(1) the amount that subsection (c) requires the auditor of state to distribute from the lottery and gaming surplus account of the build Indiana fund to the state general fund motor vehicle excise tax replacement account; and

(2) the amount that is available for distribution from the lottery and gaming surplus account in the build Indiana fund to the state general fund motor vehicle excise tax replacement account.

The transfers required under this subsection are annually appropriated from the state general fund.

SECTION 2. IC 22-12-1-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 13.5. "Fund" refers to the firefighting and emergency equipment grant fund established**



1 **under IC 22-14-5-1.**

2 SECTION 3. IC 22-12-1-18.7 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18.7. "Qualified entity"
4 means:

- 5 (1) a volunteer fire company (as defined in IC 36-8-12-2);
6 (2) ~~the executive of a township providing fire protection under~~
7 ~~IC 36-8-13-3(a)(1); a paid fire department; or~~
8 (3) ~~a municipality providing fire protection to a township under~~
9 ~~IC 36-8-13-3(a)(2) or IC 36-8-13-3(a)(3); a political subdivision~~
10 ~~(as defined in IC 36-1-2-13).~~

11 SECTION 4. IC 22-14-5-1 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The firefighting
13 and emergency equipment ~~revolving loan grant~~ fund is established.
14 The office shall administer the ~~revolving~~ fund. The ~~revolving~~ fund
15 must be used for the purposes of:

- 16 (1) providing ~~loans~~ **grants** for the purchase of new or used
17 firefighting and other emergency equipment or apparatus under
18 this chapter; and
19 (2) paying the costs of administering this chapter.

20 (b) The ~~revolving~~ fund consists of:

- 21 (1) amounts appropriated by the general assembly;
22 ~~(2) the repayment proceeds (including interest) of loans made~~
23 ~~from the revolving fund;~~
24 ~~(3) (2) donations, grants, and money received from any other~~
25 ~~source; and~~
26 ~~(4) (3) amounts that the department transfers to the revolving fund~~
27 ~~from the fire and building services fund; and~~
28 **(4) money transferred from the build Indiana fund under**
29 **IC 4-30-17-3.5.**

30 (c) The treasurer of state shall invest the money in the ~~revolving~~
31 fund not currently needed to meet the obligations of the ~~revolving~~ fund
32 in the same manner as other public funds may be invested.

33 (d) Money in the ~~revolving~~ fund at the end of the fiscal year does
34 not revert to the state general fund.

35 (e) The ~~revolving~~ fund is subject to an annual audit by the state
36 board of accounts. The ~~revolving~~ fund shall pay all costs of the audit.

37 SECTION 5. IC 22-14-5-2 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. The commission
39 shall adopt rules under IC 4-22-2 to do the following:

- 40 (1) Establish the policies and procedures to be used by the
41 department in the administration of the ~~revolving~~ fund.
42 (2) Specify the information that must be submitted with a ~~loan~~



grant application.

(3) Adopt other rules under IC 4-22-2 that are needed to carry out this chapter.

(4) Establish a ~~loan~~ **grant** priority rating system.

(5) Prescribe the forms to be used by the office in administering the ~~revolving~~ fund.

(6) Prescribe the persons authorized to execute ~~loan~~ **grant** documents on behalf of a qualified entity.

SECTION 6. IC 22-14-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The commission may not require a qualified entity to provide money from other sources to match the amount of a ~~loan~~ **grant** under this chapter.

SECTION 7. IC 22-14-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) The office shall do the following:

(1) Review and approve or disapprove applications for ~~loans~~ **grants** from the ~~revolving~~ fund.

(2) Establish the terms of ~~loans~~ **grants** from the ~~revolving~~ fund.

(3) ~~Manage~~ **Administer** the ~~loans~~ **grants**.

(b) The office shall review applications for ~~loans~~ **grants** from the ~~revolving~~ fund on December 1 and June 1.

(c) A properly completed application for a ~~loan~~ **grant** from the ~~revolving~~ fund must be received by the office not later than:

(1) November 16 for the application to be eligible for review on a December 1 review date; or

(2) May 17 for the application to be eligible for review on a June 1 review date.

(d) If the office receives a ~~loan~~ **grant** application after a deadline for receiving ~~loan~~ **grant** applications set forth in subsection (c), the office shall:

(1) retain the ~~loan~~ **grant** application; and

(2) review the application on the next review date.

SECTION 8. IC 22-14-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. The office may enter into contracts that are necessary for the administration of this chapter. ~~including contracts for the servicing of loans.~~

SECTION 9. IC 22-14-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) The office shall assign a ~~loan~~ **grant** priority rating to each ~~loan~~ **grant** application under this chapter.

(b) The ~~loan~~ **grant** priority rating must be assigned in conformity with criteria adopted by the commission. The rating that is assigned



1 must reflect the relative need of the qualified entity for the ~~loan~~ **grant**.

2 (c) The office shall make ~~loans~~ **grants** available to qualified entities
3 in descending order beginning with the qualified entity with the highest
4 ~~loan grant~~ priority rating.

5 SECTION 10. IC 22-14-5-9 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. A ~~loan~~ **grant** under
7 this chapter is subject to the following conditions:

8 (1) The qualified entity may use the ~~loan~~ **grant** only for the
9 purchase of new or used firefighting and other emergency
10 equipment or apparatus and legal and other incidental expenses
11 that are directly related to acquiring the equipment or apparatus.

12 ~~(2) The repayment period may not exceed seven (7) years.~~

13 ~~(3) (2)~~ The amount of the ~~loan~~ **grant** may not be less than ten
14 thousand dollars (\$10,000).

15 ~~(4) The interest rate is to be set by the board of finance at a rate~~
16 ~~that is not more than two percent (2%) below the prime bank~~
17 ~~lending rate prevailing at the time the loan is approved.~~

18 ~~(5) All interest reverts to the revolving fund created by this~~
19 ~~chapter.~~

20 ~~(6) The loan must be repaid in installments, including interest on~~
21 ~~the unpaid balance of the loan.~~

22 ~~(7) The repayment of principal may be deferred for a period not~~
23 ~~to exceed two (2) years.~~

24 ~~(8) The repayment of the loan may be limited to a specified~~
25 ~~revenue source of the qualified entity. If the repayment is limited,~~
26 ~~the repayment:~~

27 ~~(A) is not a general obligation of the qualified entity; and~~

28 ~~(B) is payable solely from the specified revenue source.~~

29 ~~(9) If prepayment of the loan is made, a penalty may not be~~
30 ~~charged.~~

31 ~~(10) The office shall have a security interest in the purchased~~
32 ~~firefighting or other emergency equipment or apparatus for the~~
33 ~~balance of the loan; accrued interest; penalties; and collection~~
34 ~~expenses.~~

35 **(3) The total amount of grants a qualified entity may receive**
36 **within a four (4) year period may not exceed two hundred**
37 **thousand dollars (\$200,000).**

38 ~~(11) (4)~~ Any other conditions that the office considers
39 appropriate.

40 SECTION 11. IC 22-14-5-12 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. The making of the
42 ~~loan grant~~ from the ~~revolving~~ fund does not constitute the lending of



credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

SECTION 12. IC 36-8-12-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. (a) A volunteer fire company may impose a charge on the owner of property, owner of a vehicle, or a responsible party (as defined in IC 13-11-2-191(d)) that is involved in a hazardous material or fuel spill or chemical or hazardous material related fire (as defined in IC 13-11-2-96(b)):

(1) that is responded to by the volunteer fire company; and

(2) that members of that volunteer fire company assisted in extinguishing, containing, or cleaning up.

(b) The volunteer fire company shall bill the owner or responsible party of the vehicle for the total dollar value of the assistance that was provided, with that value determined by a method that the state fire marshal shall establish under IC 36-8-12-16. A copy of the fire incident report to the state fire marshal must accompany the bill. This billing must take place within thirty (30) days after the assistance was provided. The owner or responsible party shall remit payment directly to the governmental unit providing the service. Any money that is collected under this section may be:

(1) deposited in the township firefighting fund established in IC 36-8-13-4;

~~(2) used to pay principal and interest on a loan under IC 22-14-5;~~
or

~~(3)~~ (2) used for the purchase of equipment, buildings, and property for firefighting, fire protection, and other emergency services.

(c) The volunteer fire company may maintain a civil action to recover an unpaid charge that is imposed under subsection (a).

SECTION 13. IC 36-8-12-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. (a) A volunteer fire company that provides service within a jurisdiction served by the company may establish a schedule of charges for the services that the department provides not to exceed the state fire marshal's recommended schedule for services. The volunteer fire company may collect a service charge according to this schedule from the owner of property that receives service if the following conditions are met:

(1) At the following times, the company gives notice under IC 5-3-1-4(d) in each political subdivision served by the company of the amount of the service charge for each service that the department provides:

(A) Before the schedule of service charges is initiated.



- 1 (B) When there is a change in the amount of a service charge.
 2 (2) The property owner has not sent written notice to the company
 3 to refuse service by the company to the owner's property.
 4 (3) The company's bill for payment of the service charge:
 5 (A) is submitted to the property owner in writing within thirty
 6 (30) days after the services are provided; and
 7 (B) includes a copy of a fire incident report in the form
 8 prescribed by the state fire marshal, if the service was
 9 provided for an event that requires a fire incident report.
 10 (b) A volunteer fire company shall use the revenue the department
 11 collects from the fire service charges under this section for:
 12 (1) the purchase of equipment, buildings, and property for
 13 firefighting, fire protection, or other emergency services; **or**
 14 (2) deposit in the township firefighting fund established under
 15 IC 36-8-13-4. **or**
 16 ~~(3) to pay principal and interest on a loan under IC 22-14-5.~~
 17 (c) If at least twenty-five percent (25%) of the money received by a
 18 volunteer fire company for providing fire protection or emergency
 19 services is received under one (1) or more contracts with one (1) or
 20 more political subdivisions (as defined in IC 34-6-2-110), the
 21 legislative body of a contracting political subdivision must approve the
 22 schedule of service charges established under subsection (a) before the
 23 schedule of service charges is initiated in that political subdivision.
 24 (d) A volunteer fire company that:
 25 (1) has contracted with a political subdivision to provide fire
 26 protection or emergency services; and
 27 (2) charges for services under this section;
 28 must submit a report to the legislative body of the political subdivision
 29 before April 1 of each year indicating the amount of service charges
 30 collected during the previous calendar year and how those funds have
 31 been expended.
 32 (e) The state fire marshal shall annually prepare and publish a
 33 recommended schedule of service charges for fire protection services.
 34 (f) The volunteer fire company may maintain a civil action to
 35 recover an unpaid service charge under this section.
 36 SECTION 14. THE FOLLOWING ARE REPEALED [EFFECTIVE
 37 JULY 1, 1999]: IC 22-12-1-23.3; IC 22-14-5-5; IC 22-14-5-10;
 38 IC 22-14-5-11; IC 22-14-5-13.
 39 SECTION 15. P.L.340-1995, SECTION 37, IS REPEALED
 40 [EFFECTIVE JULY 1, 1999].
 41 SECTION 16. [EFFECTIVE JULY 1, 1999] (a) **Notwithstanding**
 42 **P.L.340-1995, SECTION 37, before its repeal, or any other law, the**

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obligation of a community or provider to pay the remaining balance due on the principal plus interest of a loan under the fire safety revolving loan account is released July 1, 1999.

(b) The amount of the remaining balance due on the principal plus interest of a loan described in subsection (a) on July 1, 1999, shall be deducted from the total grant amount allowed the community or provider that is a qualified entity under IC 22-12-1-18.7, as amended by this act, within a four (4) year period beginning July 1, 1999, under IC 22-14-5-9(3), as amended by this act.

SECTION 17. [EFFECTIVE JULY 1, 1999] (a) Notwithstanding IC 22-14-5, before its amendment under this act, the obligation of a qualified entity to pay the remaining balance due on the principal plus interest of a loan under the firefighting and emergency equipment revolving loan fund established by IC 22-14-5-1, before its amendment by this act, is released July 1, 1999.

(b) The amount of the remaining balance due on the principal plus interest of a loan described in subsection (a) on July 1, 1999, shall be deducted from the total grant amount allowed the qualified entity within a four (4) year period beginning July 1, 1999, under IC 22-14-5-9(3), as amended by this act.

SECTION 18. [EFFECTIVE JULY 1, 1999] (a) Funds remaining in the firefighting and emergency equipment revolving loan fund established by IC 22-14-5-1, before its amendment by this act, shall be transferred to the fire and emergency equipment grant fund established under IC 22-14-5-1, as amended by this act.

(b) This SECTION expires July 1, 2000.

SECTION 19. [EFFECTIVE JULY 1, 1999] (a) As used in this SECTION, "office" refers to the office of the state fire marshal established under IC 22-14-2-1.

(b) As used in this SECTION, "revolving loan fund" refers to the firefighting and emergency equipment revolving loan fund established under IC 22-14-5-1, before its amendment by this act.

(c) As used in this SECTION, "grant fund" refers to the firefighting and emergency equipment grant fund established under IC 22-14-5-1, as amended by this act.

(d) The office shall follow the rules and criteria for making loans from the revolving loan fund, adopted by the office under IC 22-14-5, before its amendment by this act, in making grants from the grant fund to the extent the rules and criteria are applicable to the making of grants from the fund and comply with the requirements of this act.



1 (e) The office shall adopt rules and criteria for making grants
2 from the grant fund before July 1, 2000.

3 (f) This SECTION expires July 2, 2000.

4 SECTION 20. [EFFECTIVE JULY 1, 1999] (a) A loan application
5 submitted by a community or provider to the budget agency before
6 July 1, 1999, for a loan from the fire safety equipment revolving
7 loan account that was not approved or denied by the budget agency
8 shall be forwarded to the office of the state fire marshal and is
9 considered a grant application for the firefighting and emergency
10 equipment grant fund established under IC 22-14-5-1, as amended
11 by this act.

12 (b) A loan application submitted by a qualified entity to the
13 office of the state fire marshal before July 1, 1999, for a loan from
14 the firefighting and emergency equipment revolving loan account
15 is considered a grant application for the firefighting and
16 emergency equipment grant fund established under IC 22-14-5-1,
17 as amended by this act.

18 (c) This SECTION expires January 1, 2000.

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